

COPY

INDIANA UTILITY REGULATORY COMMISSION
GENERAL INSTRUCTIONS AND FORMS
FOR
SMALL MUNICIPAL WATER UTILITY-CASH BASIS
RATE CASE

ACCOUNTING SECTION

43502

FILED

MAY 27 2008

**INDIANA UTILITY
REGULATORY COMMISSION**

INSTRUCTIONS

COMPARATIVE RECEIPTS AND DISBURSEMENTS STATEMENT (Page 3 & 4)

Column A should reflect data for the "test year." The test year selected should be the most recent twelve month period and serves as a basis for determining the financial position of the utility and the appropriate level for the utility's rates. The test year must not be any older than six months from the time you file your accounting data and not include any partial months. Test years ending on a calendar quarter are preferred. Col. B should be the next, most recent calendar year available.

ANALYSIS OF UTILITY PLANT IN SERVICE (Page 5)

See footnotes on the schedule for instructions.

ANALYSIS OF CASH OPERATING FUND (Page 6)

Line 1 should be the date of the beginning of the Comparative Receipts and Disbursements Statement. Line 15 should reflect the ending date of the test year.

ANALYSIS OF BOND AND INTEREST FUND (Page 7)

Follow the above instructions for the Cash Operating Fund.

ANALYSIS OF DEPRECIATION FUND (Page 8)

Follow the above instructions for the Cash Operating Fund.

ANALYSIS OF METER DEPOSIT FUND (Page 9)

Follow the above instructions for the Cash Operating Fund.

ANALYSIS OF OTHER FUNDS (Page 10)

Follow the above instructions for the Cash Operating Fund.

PROFORMA OPERATING RECEIPTS AND DISBURSEMENTS STATEMENT (Page 11)

Column A, the test year, should be taken from Column A of Page 3, the Comparative Receipts and Disbursements Statement. Column B of this page reflects the fixed, known and measurable adjustments that are detailed on the pages following this schedule. Column C is the sum of Column A and Column B. Column D contains adjustments to revenues and taxes which are necessary to reflect the effects of the proposed rate increase. Column E is the sum of Column C and Column D.

DETAIL OF ADJUSTMENTS (Pages 12 through 15)

These are sample adjustments that you may use. If your circumstances require the use of another format, feel free to use your own format. Additionally, you might not have adjustments to all of the expenses listed, or you may have other adjustments to accounts that are not shown as typical adjustments. If you use your own format, please show as much detail as possible.

SCHEDULE OF PRESENT AND PROPOSED RATES (Page 16)

This schedule is somewhat self-explanatory. The tracker column, or Column B, would only be filled-out if the utility purchases all, or part of its water from another utility.

INSTRUCTIONS

REVENUE REQUIREMENTS STATEMENT (Page 17 through 19)

This schedule itemizes and totals the utility's statutory revenue requirements. Proforma operating revenues at proposed rates, as calculated in Column E of the Proforma Operating Receipts and Disbursements Statement, along with available interest income, should not exceed the total revenue requirements calculated on this schedule.

Operation and Maintenance Expenses and Taxes Other Than Income Taxes

These numbers are derived from Page 11, the Proforma Receipts and Disbursements Statement.

Debt Service

The revenue requirement should include the principal and interest payments for all of the legal obligations of the utility.

Debt Service Reserve

Debt service reserve accounts may be funded through rates but the funding shouldn't exceed 10% of the annual principal and interest payments for each debt issue.

Working Capital

This calculation was adapted from the Federal Energy Regulatory Commission's generic "45 day" working capital computation. The purpose of the FERC computation was to estimate the number of dollars a utility has invested in funding the lag between the time payments are due for its expenses and the time collections are received from the utility's customers. 45 days reflects a 30 day billing cycle plus a 15 day grace period for payments. We divide by eight because there are approximately eight 45-day periods in a year. The calculation on Page 17 provides for the petitioning utility to have enough working capital on hand to meet 45 days of expenses or to build that amount up over a three year period. Purchased power and purchased water are excluded expenses because they are assumed to be on a similar billing cycle as the petitioning utility.

Payment in Lieu of Taxes "PILT"

The purpose of Payment in Lieu of taxes is to compensate the municipality for property taxes which would be due if the utility were privately owned. PILT may be transferred to the municipal general fund if the legislative body elects to do so.

Return on Plant

This amount is determined by the utility board but should not be excessive. The calculation on Page 19 is designed to test the reasonableness of the dollar amount the utility requested for return on plant. It is an indirect test. Sometimes the test will show that zero additional funds requested is too much. In that case, no additional funds should be requested. In other instances, a comparatively low rate of return may result in a seemingly high dollar amount in relation to the utility's other revenue requirements. The prevailing interest rates on U.S. Treasury securities should be considered when determining the reasonableness of the rate of return produced by this test.

Extensions and Replacements

Funds to be provided through rates for extensions and replacements of utility plant is calculated in the Engineering Section of this report.

KINGSFORD HEIGHTS MUNICIPAL WATER UTILITY
KINGSFORD HEIGHTS, INDIANA
COMPARATIVE RECEIPTS AND DISBURSEMENTS STATEMENT
FOR THE YEARS ENDED DECEMBER 31, 2007 AND DECEMBER 31, 2006

Line No.		Year Ended 12/31/2007 Col. A	Year Ended 12/31/2006 Col. B
	<u>OPERATING RECEIPTS</u>		
	<u>SALES OF WATER</u>		
1.	Unmetered sales	\$ -	\$ -
2.	Residential sales	153,175	150,308
3.	Commercial sales	8,908	9,193
4.	Industrial sales	-	-
5.	Sales to public authorities	3,968	3,463
6.	Multiple family dwellings	-	-
7.	Fire protection-Public	20,993	20,993
8.	Fire protection-Private	331	331
9.	Irrigation	-	-
10.	Sales for resale	-	-
11.	Interdepartmental sales	-	-
12.	Total Sales of Water	<u>\$ 187,375</u>	<u>\$ 184,288</u>
	<u>OTHER OPERATING RECEIPTS</u>		
13.	Forfeited discounts	\$ 2,321	\$ 2,394
14.	Miscellaneous service revenues	-	-
15.	Rents from water property	-	-
16.	Interdepartmental rents	-	-
17.	Other water receipts	7,095	8,067
18.	Total Other Operating Receipts	<u>\$ 9,416</u>	<u>\$ 10,461</u>
19.	Total Operating Receipts	<u>\$ 196,791</u>	<u>\$ 194,749</u>
	<u>OPERATING DISBURSEMENTS</u>		
20.	Salaries and wages-Employees	\$ 38,114	\$ 35,768
21.	Salaries and wages-Officers and directors	15,561	15,144
22.	Employee pensions and benefits	13,753	13,012
23.	Purchased water	-	-
24.	Purchased power	10,557	10,204
25.	Fuel for power production	-	-
26.	Chemicals	1,493	2,672
27.	Materials and supplies	18,627	16,473
28.	Contractual services	23,430	22,667
29.	Rents	588	603
30.	Transportation expense	2,350	2,061
31.	Insurance expense	8,426	12,142
32.	Regulatory commission expense	-	-
33.	Miscellaneous expense	5,919	6,067
34.	Payment in lieu of taxes	3,000	3,000
35.	Utility receipts tax	2,450	2,425
36.	Total Operating Disbursements	<u>\$ 144,268</u>	<u>\$ 142,238</u>
37.	Net Operating Receipts (Disbursements)	<u>\$ 52,523</u>	<u>\$ 52,511</u>

KINGSFORD HEIGHTS MUNICIPAL WATER UTILITY
KINGSFORD HEIGHTS, INDIANA
COMPARATIVE RECEIPTS AND DISBURSEMENTS STATEMENT
FOR THE YEARS ENDED DECEMBER 31, 2007 AND DECEMBER 31, 2006

Line No.		Year Ended <u>12/31/2007</u> Col. A	Year Ended <u>12/31/2006</u> Col. B
	<u>OTHER RECEIPTS</u>		
37.	Customer deposits received	\$ -	\$ -
38.	Bonds or loans proceeds	-	-
39.	Interest received	7,308	6,019
40.	Sales tax collected	9,420	9,231
41.	Investments redeemed	-	-
42.	Other receipts	-	-
43.	Total Other Receipts	<u>\$ 16,728</u>	<u>\$ 15,250</u>
	<u>OTHER DISBURSEMENTS</u>		
44.	Customer deposits refunded	-	-
45.	Bonds or loans paid	53,424	53,424
46.	Interest paid	-	-
47.	Sales tax remitted	9,389	9,250
48.	Investments purchased	-	-
49.	New construction-Additions and retirements	730	-
50.	Other disbursements	-	-
51.	Total Other Disbursements	<u>\$ 63,543</u>	<u>\$ 62,674</u>
52.	Net Receipts (Disbursements)	<u>\$ 5,708</u>	<u>\$ 5,087</u>

KINGSFORD HEIGHTS MUNICIPAL WATER UTILITY
KINGSFORD HEIGHTS, INDIANA
ANALYSIS OF UTILITY PLANT IN SERVICE
FROM JANUARY 1, 2006 TO DECEMBER 31, 2007

Line No.		Beginning Balance Col. A	Additions Col. B	Retirements Col. C	Other Col. D	Year End Balance Col. E	Additions Col. F	Retirements Col. G	Other Col. H	Balance at End of Test Year Col. I
UTILITY PLANT										
1.	Land and land rights	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2.	Structures and improvements	\$ -	-	-	-	\$ -	-	-	-	\$ -
3.	Collection and impounding reservoirs	\$ -	-	-	-	\$ -	-	-	-	\$ -
4.	Lake, river and other intakes	\$ -	-	-	-	\$ -	-	-	-	\$ -
5.	Wells and springs	\$ -	-	-	-	\$ -	-	-	-	\$ -
6.	Infiltration galleries and tunnels	\$ -	-	-	-	\$ -	-	-	-	\$ -
7.	Supply mains	\$ -	-	-	-	\$ -	-	-	-	\$ -
8.	Power generation equipment	\$ -	-	-	-	\$ -	-	-	-	\$ -
9.	Pumping equipment	\$ -	-	-	-	\$ -	-	-	-	\$ -
10.	Water treatment equipment	\$ -	-	-	-	\$ -	-	-	-	\$ -
11.	Distribution reservoirs and standpipes	\$ -	-	-	-	\$ -	-	-	-	\$ -
12.	Transmission and distribution mains	\$ -	-	-	-	\$ -	-	-	-	\$ -
13.	Services	\$ -	-	-	-	\$ -	-	-	-	\$ -
14.	Meters and meter installations	\$ -	-	-	-	\$ -	-	-	-	\$ -
15.	Hydrants	\$ -	-	-	-	\$ -	-	-	-	\$ -
16.	Other plant and misc. equipment	\$ -	-	-	-	\$ -	-	-	-	\$ -
GENERAL PLANT										
17.	Office furniture and equipment	\$ -	-	-	-	\$ -	730	-	-	\$ 730
18.	Transportation equipment	\$ -	-	-	-	\$ -	-	-	-	\$ -
19.	Stores equipment	\$ -	-	-	-	\$ -	-	-	-	\$ -
20.	Tools, shop and garage equipment	\$ -	-	-	-	\$ -	-	-	-	\$ -
21.	Laboratory equipment	\$ -	-	-	-	\$ -	-	-	-	\$ -
22.	Power operated equipment	\$ -	-	-	-	\$ -	-	-	-	\$ -
23.	Communication equipment	\$ -	-	-	-	\$ -	-	-	-	\$ -
24.	Miscellaneous equipment	\$ -	-	-	-	\$ -	-	-	-	\$ -
25.	Other tangible property	\$ -	-	-	-	\$ -	-	-	-	\$ -
26.	Total Utility Plant in Service	\$ 1,615,336	\$ -	\$ -	\$ -	\$ 1,615,336	\$ 730	\$ -	\$ -	\$ 1,616,066

Note: Many cash-basis water utilities do not keep detailed plant records. If this is the case with you, please provide the latest known plant valuation along with the figures for accumulated depreciation. Then note all plant additions since the latest valuation. The State Board of Accounts normally reports the utility plant and accumulated depreciation valuation in their audit reports.

* Beginning Utility Plant in Service balance is \$1,615,336 per the IURC annual filing for December 31, 2006. The only addition in the past two years was the purchase of a laptop computer. The utility does not keep depreciation data.

KINGSFORD HEIGHTS MUNICIPAL WATER UTILITY
KINGSFORD HEIGHTS, INDIANA
ANALYSIS OF CASH OPERATING FUND
FROM JANUARY 1, 2006 TO DECEMBER 31, 2007

Line
No.

1.	<u>BALANCE JANUARY 1, 2006 (1)</u>	\$ 100,258
	<u>YEAR 2006</u>	
2.	Operating receipts	194,749
3.	Other receipts	15,250
4.	Operating disbursements	(142,238)
5.	Other disbursements	(62,674)
6.	Transfer to: (Fund name)	-
7.	Transfer from: (Fund name)	-
8.	<u>BALANCE JANUARY 1, 2007 (2)</u>	<u>\$ 105,345</u>
	<u>YEAR 2007</u>	
9.	Operating receipts	196,791
10.	Other receipts	16,728
11.	Operating disbursements	(144,268)
12.	Other disbursements	(63,543)
13.	Transfer to: (Fund name)	-
14.	Transfer from: (Fund name)	-
15.	<u>BALANCE DECEMBER 31, 2007 (3)</u>	<u>\$ 111,053</u>

- (1) This should be the date of the beginning of the first year.
(2) This should be the date of the end of the first year
(3) This should be the date of the end of the test year.

KINGSFORD HEIGHTS MUNICIPAL WATER UTILITY
KINGSFORD HEIGHTS, INDIANA
ANALYSIS OF BOND AND INTEREST FUND
FROM JANUARY 1, 2006 TO DECEMBER 31, 2007

Line
No.

1.	<u>BALANCE JANUARY 1, 2006</u> (1)	\$ -
	<u>YEAR 2006</u>	
2.	Interest paid	-
3.	Principal paid	-
4.	Interest received	-
5.	Investment activity	-
6.	Transfer to: (Fund name)	-
7.	Transfer from: (Fund name)	
8.	Other (Please detail below)	
9.	<u>BALANCE JANUARY 1, 2007</u> (2)	\$ -
	<u>YEAR 2007</u>	
10.	Interest paid	-
11.	Principal paid	-
12.	Interest received	
13.	Investment activity	
14.	Transfer to: (Fund name)	-
15.	Transfer from: (Fund name)	-
16.	Other (Please detail below)	-
17.	<u>BALANCE DECEMBER 31, 2007</u> (3)	\$ -

- (1) This should be the date of the beginning of the first year.
(2) This should be the date of the end of the first year
(3) This should be the date of the end of the test year.

KINGSFORD HEIGHTS MUNICIPAL WATER UTILITY
KINGSFORD HEIGHTS, INDIANA
ANALYSIS OF DEPRECIATION FUND
FROM JANUARY 1, 2006 TO DECEMBER 31, 2007

Line
No.

1.	<u>BALANCE JANUARY 1, 2006</u> (1)	\$ -
	<u>YEAR 2006</u>	
2.	Interest received	-
3.	Investment activity	-
4.	New construction-Additions and retirements	-
5.	Other (Please detail below)	-
6.	Transfer to: (Fund name)	-
7.	Transfer from: (Fund name)	-
8.	<u>BALANCE JANUARY 1, 2007</u> (2)	\$ -
	<u>YEAR 2007</u>	
9.	Interest received	-
10.	Investment activity	-
11.	New construction-Additions and retirements	-
12.	Other (Please detail below)	-
13.	Transfer to: (Fund name)	-
14.	Transfer from: (Fund name)	-
15.	<u>BALANCE DECEMBER 31, 2007</u> (3)	\$ -

- (1) This should be the date of the beginning of the first year.
(2) This should be the date of the end of the first year
(3) This should be the date of the end of the test year.

KINGSFORD HEIGHTS MUNICIPAL WATER UTILITY
KINGSFORD HEIGHTS, INDIANA
ANALYSIS OF METER DEPOSIT FUND
FROM JANUARY 1, 2006 TO DECEMBER 31, 2007

Line
No.

1.	<u>BALANCE JANUARY 1, 2006</u> (1)	\$ -
	<u>YEAR 2006</u>	
2.	Customer deposits received	-
3.	Customer deposits refunded	-
4.	Other (Please detail below)	-
5.	<u>BALANCE JANUARY 1, 2007</u> (2)	\$ -
	<u>YEAR 2007</u>	
6.	Customer deposits received	-
7.	Customer deposits refunded	-
8.	Other (Please detail below)	-
9.	BALANCE DECEMBER 31, 2007 (3)	\$ -

- (1) This should be the date of the beginning of the first year.
(2) This should be the date of the end of the first year
(3) This should be the date of the end of the test year.

KINGSFORD HEIGHTS MUNICIPAL WATER UTILITY
KINGSFORD HEIGHTS, INDIANA
ANALYSIS OF DEBT SERVICE RESERVE FUND
FROM JANUARY 1, 2006 TO DECEMBER 31, 2007

Line
No.

1.	<u>BALANCE JANUARY 1, 2006</u> (1)	\$ 53,424
	<u>YEAR 2006</u>	
2.	Receipts	-
3.	Disbursements	-
5.	Other (Please detail below)	-
6.	Investments cashed in	100,000
7.	Investments purchased	(100,000)
8.	<u>BALANCE JANUARY 1, 2007</u> (2)	<u>\$ 53,424</u>
	<u>YEAR 2007</u>	
9.	Receipts	-
10.	Disbursements	-
11.	Other (Please detail below)	-
12.	Investments cashed in	100,000
13.	Investments purchased	<u>(100,000)</u>
15.	BALANCE DECEMBER 31, 2007 (3)	<u>\$ 53,424</u>

- (1) This should be the date of the beginning of the first year.
(2) This should be the date of the end of the first year
(3) This should be the date of the end of the test year.

KINGSFORD HEIGHTS MUNICIPAL WATER UTILITY
KINGSFORD HEIGHTS, INDIANA

NOTES:

If the cash basis of accounting is used to maintain the books and records of the utility:

- 1.) Indicate the latest known plant valuation in total if not available in detail.
- 2.) Note all additions to plant for each year subsequent to the valuation.
- 3.) Indicate what the total is for the depreciation reserve for the same date as "1" above.

1) Total plant valuation reported by the Utility in its Class C 2006 Annual IURC report was
\$1,615,336.00

2) The purchase of a laptop computer on February 13, 2007 for \$729.89.

3) The Utility does not keep depreciation records.

KINGSFORD HEIGHTS MUNICIPAL WATER UTILITY
KINGSFORD HEIGHTS, INDIANA
PRO FORMA OPERATING RECEIPTS AND DISBURSEMENTS STATEMENT

Line No.		Test Year Col. A	Adjustments Col. B		Adjusted Present Rates Col. C	Adjustments Col. D		Pro Forma Proposed Rates Col. E
<u>OPERATING RECEIPTS</u>								
1.	Sales of water	\$ 187,375	\$ 330	(1)	\$ 187,705	\$ 68,137	(11)	\$ 255,842
2.	Other operating receipts	9,416	(690)	(2)	8,726	-		8,726
3.	Total Operating Receipts	<u>\$ 196,791</u>	<u>\$ (360)</u>		<u>\$ 196,431</u>	<u>\$ 68,137</u>		<u>\$ 264,568</u>
<u>OPERATING DISBURSEMENTS</u>								
4.	Salaries and wages-Employees	38,114	24,655	(3)	62,769	-		62,769
5.	Salaries and wages-Officers and directors	15,561	597	(4)	16,158	-		16,158
6.	Employee pensions and benefits	13,753	10,362	(5)	24,115			24,115
7.	Purchased water	-			-			-
8.	Purchased power	10,557			10,557			10,557
9.	Fuel for power production	-			-			-
10.	Chemicals	1,493	472	(6)	1,965			1,965
11.	Materials and supplies	18,627	(4,680)	(7)	13,947			13,947
12.	Contractual services	23,430	5,559	(8)	28,989			28,989
13.	Rents	588	-		588	-		588
14.	Transportation expense	2,350	-		2,350	-		2,350
15.	Insurance expense	8,426	4,930	(9)	13,356	-		13,356
16.	Regulatory commission expense	-	-		-	-		-
17.	Miscellaneous expense	5,919	-		5,919	-		5,919
18.	Payment in lieu of taxes	3,000	-		3,000	-		3,000
19.	Utility receipts tax	2,450	(6)	(10)	2,444	846	(12)	3,290
	Total Operating Disbursements	<u>\$ 144,268</u>	<u>\$ 41,889</u>		<u>\$ 186,157</u>	<u>\$ 846</u>		<u>\$ 187,003</u>
20.	Net Operating Receipts (Disb.)	<u>\$ 52,523</u>	<u>\$ (42,249)</u>		<u>\$ 10,274</u>	<u>\$ 67,291</u>		<u>\$ 77,565</u>

KINGSFORD HEIGHTS MUNICIPAL WATER UTILITY
KINGSFORD HEIGHTS, INDIANA
DETAIL OF TYPICAL ADJUSTMENTS

(1) TO ADJUST SALES OF WATER BASED ON THE CURRENT NUMBER OF PUBLIC AND PRIVATE HYDRANTS.

Current number of public fire hydrants	129	
Current number of private fire hydrants	<u>2</u>	
Total fire hydrants	131	
Times: Current hydrant charge - per annum	<u>\$ 165.30</u>	
Adjusted hydrant rental receipts		\$ 21,654
Less: Test Year Expense		<u>(21,324)</u>
Adjustment		<u>\$ 330</u>

(2) TO ADJUST OTHER OPERATING RECEIPTS TO RECOGNIZE REIMBURSEMENTS AND SCRAP SALES AS NON-OPERATING RECEIPTS

Reimbursement receipts included in test year other operating receipts	\$ 670
Scrap sales included in test year other operating receipts	<u>20</u>
Adjustment - Decrease	<u>\$ 690</u>

KINGSFORD HEIGHTS MUNICIPAL WATER UTILITY
KINGSFORD HEIGHTS, INDIANA
DETAIL OF TYPICAL ADJUSTMENTS

(3) TO ADJUST OPERATING EXPENSES TO REFLECT AN INCREASE IN PAYROLL EXPENSE FOR SALARIES AND WAGES - EMPLOYEES.

Employee Name Col. A	Employee Title Col. B	Test Year		Proforma Hourly Rates		Proforma Hourly Wages			Total Col. J	Percent Expense Col. K	Col. J x K Col. L	Less: Test Year Col. M	Adjustment Col. N
		Reg. Hours Col. C	O.T. Hours Col. D	Regular Col. E	Overtime Col. F	Regular Col. G	Overtime Col. H	Personal Absence* Col. I					
1. Timothy Lindenwald Additional field employee	Plant Operator	2,080.00	71.30	\$ 17.86	\$ 26.79	\$ 37,149	\$ 1,910	\$ 414	\$ 39,473	100.00%	\$ 39,473	\$ (38,114)	\$ 1,359.00
2. to be hired in 2008**	Field Employee	-	-	\$ -	\$ -	\$ 23,296	\$ -		\$ 23,296	100.00%	\$ 23,296	\$ -	\$23,296.00
3. Totals						\$ 60,445	\$ 1,910	\$ 414	\$ 62,769		\$ 62,769	\$ (38,114)	\$ 24,655

* Assumed at test year amounts.

** Will be full time (2,080 hours) and is estimated to be paid \$11.20 per hour.

(4) TO ADJUST OPERATING EXPENSES TO REFLECT AN INCREASE IN PAYROLL EXPENSE FOR SALARIES AND WAGES - OFFICERS AND DIRECTORS.

Employee Name Col. A	Employee Title Col. B	Test Year		Proforma Hourly Rates		Proforma Hourly Wages			Total Col. J	Percent Expense Col. K	Col. J x K Col. L	Less: Test Year Col. M	Adjustment Col. N
		Reg. Hours Col. C	O.T. Hours Col. D	Regular Col. E	Overtime Col. F	Regular Col. G	Overtime Col. H	Personal Absence* Col. I					
1. Rosalie Jacobs	Clerk-Treasurer	2,080.00	-	\$ 13.40	\$ -	\$ 27,872	\$ -	\$ 622	\$28,494.00	33.33%	\$ 9,497	\$ (9,043)	\$ 454
2. Lois Dawson	Office Asst.	1,258.30	-	\$ 9.80	\$ -	\$ 12,331	\$ -	\$ -	\$12,331.00	33.33%	\$ 4,110	\$ (3,967)	\$ 143
3. Evelyn Ballinger	Council President	-	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,200.00	25.00%	\$ 550	\$ (550)	\$ -
4. David Enocks	Council Member	-	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,000.00	25.00%	\$ 500	\$ (500)	\$ -
5. Jeana Blake	Council Member	-	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,000.00	25.00%	\$ 500	\$ (500)	\$ -
6. Richard Knowlton	Council Member	-	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,000.00	25.00%	\$ 500	\$ (500)	\$ -
7. Jeffrey Maki	Council Member	-	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,000.00	25.00%	\$ 500	\$ (500)	\$ -
8. Totals						\$ 40,203	\$ -	\$ 622	\$ 51,025		\$ 16,157	\$ (15,560)	\$ 597

* Assumed at test year amounts.

Note: Town council members are salary.

(5) TO ADJUST OPERATING EXPENSES TO REFLECT INCREASE IN PENSIONS AND BENEFITS.

Pro forma salaries and wages - employees	\$ 62,769	
Pro forma salaries and wages - officers	16,158	
Total pro forma salaries and wages	78,927	
Times: FICA/Medicare rate	7.65%	
Pro forma FICA and Medicare		\$ 6,038
Plus:		
Pro forma salaries and wages subject to PERF	\$ 72,267	
Times: 2008 PERF rate	5.00%	
Pro forma PERF		3,613
Plus:		
Current monthly health insurance premium	\$ 655.31	
Plus: \$550 per month for new employee (per Ordinance No. 2007-8)	550.00	
Pro forma monthly health insurance premium	1,205.31	
Times: 12 months	12	
Pro forma health insurance		14,464
Pro forma employee pensions and benefits		24,115
Less: Test year expense		(13,753)
Adjustment		\$ 10,362

KINGSFORD HEIGHTS MUNICIPAL WATER UTILITY
KINGSFORD HEIGHTS, INDIANA
DETAIL OF TYPICAL ADJUSTMENTS

(6) TO ADJUST OPERATING EXPENSES TO REFLECT A THREE-YEAR AVERAGE OF CHEMICAL COSTS.

Chemical costs:		
2005	\$ 1,731	
2006	2,672	
2007	<u>1,493</u>	
Subtotal	5,896	
Divided by: 3 years	<u>3</u>	
Average annual chemical cost		\$ 1,965
Less: Test year chemical cost		<u>(1,493)</u>
Adjustment		<u>\$ 472</u>

(7) TO ADJUST OPERATING EXPENSES FOR INCREASES IN UNIFORM CLEANING COSTS AND NON-RECURRING ITEMS.

Current Aramark rates per cleaning (every 3 weeks)	\$ 43.52	
Times: 17 cleanings per year	<u>17</u>	
Pro forma uniform cleaning	740	
Less: Test year uniform cleaning	<u>(707)</u>	
Increase in uniform cleaning costs		\$ 33
Less: Payment to Midwest Meter, Inc. on 5/31/2007 for purchase of meter		(102)
Less: Payment to Midwest Meter, Inc. on 9/25/2007 for purchase of 18 meters		(1,365)
Less: Payment to E.J. Prescott, Inc. on 12/27/2007 for purchase of valves and related parts		<u>(3,246)</u>
Adjustment		<u>\$ (4,680)</u>

(8) TO ADJUST OPERATING EXPENSES FOR PERIODIC MAINTENANCE, NON-RECURRING ITEMS, AND PROFESSIONAL FEES RELATED TO SBA AUDIT AND IURC RATE CASE.

Periodic Maintenance:		
Estimated cost of repainting water tower	\$ 75,000	
Amortized over 15 years	<u>15</u>	
Annual cost of repainting water tower		\$ 5,000
Plus:		
Well motor replacement (\$4,000 each x 3 wells / every 10 years)	1,200	
Well house roofing (\$800 total / every 15 years)	53	
Well shaft repair (\$2,750 each x 3 wells / every 5 years)	1,650	
Clearwell inspection (\$3,500 total / every 5 years)	700	
Valve replacement (\$3,246 each / every 3 years)*	<u>1,082</u>	
Subtotal		4,685
Plus:		
Annual chemical well cleaning (1 of 3 wells is cleaned every year)**		6,785
Less:		
Non-recurring repair costs incurred in 2007:		
Payment to Peerless Midwest on 2/13/2007 for motor replacement at well 3A	(3,945)	
Payment to Service One on 3/13/2007 for solenoid replacement - due to lightning strike	(1,091)	
Payment to Smeaton Bros. Roofing on 3/27/2007 for well house roofing	(800)	
Payment to Peerless Midwest on 8/28/2007 for well 2A shaft repair	(2,743)	
Payment to Service One on 8/28/2007 for water tower repairs	(2,050)	
Payment to Liquivision Technology on 10/9/2007 for inspection of clearwell	<u>(3,450)</u>	
Total non-recurring repairs		(14,079)
Plus:		
2003-2005 SBA audit fees paid in 2006 for water utility audit	503	
Amortized over 3 years	<u>3</u>	
Pro forma annual SBA audit fees		168
Plus:		
Estimated Umbaugh fees related to IURC rate case	10,000	
Plus: Estimated IURC fees related to IURC rate case	<u>5,000</u>	
Total fees related to IURC rate case	15,000	
Amortized over 5 years	<u>5</u>	
Pro forma annual fees related to IURC rate case		<u>3,000</u>
Adjustment		<u>\$ 5,559</u>

* Cost estimate based on cost of valve replacement parts purchased from E.J. Prescott, Inc. on 12/27/07.

** Cost estimate is based on cost for cleaning performed by Peerless Midwest on 5/11/06. This maintenance was not done in 2007 due to high amount of other repairs.

KINGSFORD HEIGHTS MUNICIPAL WATER UTILITY
KINGSFORD HEIGHTS, INDIANA
DETAIL OF TYPICAL ADJUSTMENTS

(9) TO ADJUST OPERATING EXPENSES TO REFLECT THE CURRENT COST OF INSURANCE.

Calendar year 2006 insurance costs***	\$ 12,142
Times: 10% increase	<u>10.00%</u>
Pro forma insurance	\$ 13,356
Less: Test year insurance	<u>(8,426)</u>
Adjustment	<u>\$ 4,930</u>

*** Used 2006 due to 2007 costs being low due to a credit on the 2007 bill.

(10) TO ADJUST OPERATING EXPENSES TO REFLECT THE PROFORMA LEVEL OF GROSS RECEIPTS TAX AT PRESENT RATES.

Proforma operating receipts at present rates	\$ 196,431
Less: Pro forma public hydrant rental at present rates	(21,324)
Less: Exemption	<u>(500)</u>
Proforma taxable receipts at present rates	174,607
Times: tax rate	<u>1.40%</u>
Proforma Gross Receipts tax at present rates	\$ 2,444.00
Less: Test year expense	<u>(2,450)</u>
Adjustment	<u>\$ (6.00)</u>

(11) TO ADJUST OPERATING REVENUES TO REFLECT THE PROPOSED RATE INCREASE.

Adjusted sales of water at present rates	\$ 187,705
Times: Percent of proposed rate increase	<u>36.30%</u>
Adjustment	<u>\$ 68,137</u>

(12) TO ADJUST OPERATING EXPENSES TO REFLECT THE PROPOSED RATE INCREASE.

<u>Indiana Gross Receipts Tax</u>	
Increase in revenues due to the proposed rate increase	\$ 68,137
Less: Increase in public hydrant rental due to rate increase	<u>(7,740)</u>
Subtotal	60,397
Times: Current rate	<u>1.40%</u>
Adjustment	<u>\$ 846</u>

KINGSFORD HEIGHTS MUNICIPAL WATER UTILITY
KINGSFORD HEIGHTS, INDIANA
SCHEDULE OF PRESENT AND PROPOSED RATES

			Present Rates (1)	Tracker	Adjusted Present Rates	Proposed Rates	Increase	
			Col. A	Col. B	Col. C	Col. D	Amount Col. E	Percent Col. F
METERED RATES PER MONTH								
First	6,000	gallons	\$ 3.91	\$ -	\$ 3.91	\$ 5.33	\$ 1.42	36.32%
Next	12,000	gallons	\$ 3.14	\$ -	\$ 3.14	\$ 4.28	\$ 1.14	36.31%
Next	24,000	gallons	\$ 2.39	\$ -	\$ 2.39	\$ 3.26	\$ 0.87	36.40%
Next	48,000	gallons	\$ 1.55	\$ -	\$ 1.55	\$ 2.11	\$ 0.56	36.13%
Next	110,000	gallons	\$ 1.15	\$ -	\$ 1.15	\$ 1.57	\$ 0.42	36.52%
Next	300,000	gallons	\$ 0.77	\$ -	\$ 0.77	\$ 1.05	\$ 0.28	36.36%
Over	500,000	gallons	\$ 0.65	\$ -	\$ 0.65	\$ 0.89	\$ 0.24	36.92%
MINIMUM RATES PER MONTH								
5/8" - 3/4"	meter		\$ 23.46	\$ -	\$ 23.46	\$ 31.98	\$ 8.52	36.32%
1"	meter		\$ 38.65	\$ -	\$ 38.65	\$ 52.68	\$ 14.03	36.30%
1 1/2"	meter		\$ 77.33	\$ -	\$ 77.33	\$ 105.42	\$ 28.09	36.32%
2"	meter		\$ 127.22	\$ -	\$ 127.22	\$ 173.46	\$ 46.24	36.35%
3"	meter		\$ 275.35	\$ -	\$ 275.35	\$ 375.43	\$ 100.08	36.35%
4"	meter		\$ 469.14	\$ -	\$ 469.14	\$ 639.75	\$ 170.61	36.37%
6"	meter		\$ 1,098.86	\$ -	\$ 1,098.86	\$ 1,501.53	\$ 402.67	36.64%
FIRE LINES / SPRINKLERS								
PER MONTH / PER YEAR								
Sprinkler connection - per annum			\$ 773.30	\$ -	\$ 773.30	\$ 1,054.00	\$ 280.70	36.30%
HYDRANT RENTAL								
PER MONTH / PER YEAR								
Municipal hydrants - per annum			\$ 165.30	\$ -	\$ 165.30	\$ 225.30	\$ 60.00	36.30%
Private hydrants - per annum			\$ 165.30	\$ -	\$ 165.30	\$ 225.30	\$ 60.00	36.30%

(1) Approved in Cause No. 39457, Order dated December 11, 1992.

KINGSFORD HEIGHTS MUNICIPAL WATER UTILITY
KINGSFORD HEIGHTS, INDIANA
PRO FORMA CASH REVENUE REQUIREMENTS

Line
No.

<u>PRO FORMA CASH REVENUE REQUIREMENTS</u>		
1.	Operation and maintenance expenses	\$ 180,713
2.	Taxes other than income taxes	3,290
3.	Debt service	53,424
4.	Debt service reserve	-
5.	Working capital	-
6.	Payment in lieu of taxes (PILT)	3,000
7.	Return on plant	-
8.	Extensions and replacements	<u>32,307 (1)</u>
9.	Pro Forma Cash Revenue Requirements	\$ 272,734
10.	Less: Recurring Interest Income	<u>(7,308)</u>
11.	Net Cash Revenue Requirements	<u>\$ 265,426</u>

<u>WORKING CAPITAL REQUIREMENT- 45 DAY METHOD</u>		
13.	Proforma operation and maintenance expenses and taxes	\$ 187,003
14.	Less: Purchased water expense	-
15.	Less: Purchased power expense	<u>(10,557)</u>
16.	Net Applicable Operating Expenses	\$ 176,446
17.	Divide By: Eight	<u>/ 8</u>
18.	Working Capital Requirement	\$ 22,056
19.	Less: Available cash and investments *	<u>(47,579)</u>
20.	Additional Working Capital Needed	\$ (25,523)
21.	Divide By: Three	<u>/ 3</u>
22.	Annual Working Capital Requirement	<u>\$ (8,508)</u>

(1) Based on December 31, 2006 utility plant in service (\$1,615,336) times a 2% depreciation rate.

* This should include all cash and investments which are available to offset any revenue requirement.

Note: Working capital should not be requested if Line 14 is -0- or negative.

KINGSFORD HEIGHTS MUNICIPAL WATER UTILITY
KINGSFORD HEIGHTS, INDIANA
DEBT SERVICE REQUIREMENT

Amount of original loan and issue date: \$808,000 dated December 10, 1979. Rescheduled
on October 10, 1987 at \$769,000, plus accrued interest of \$83,848.11.

Interest rates: 5%

<u>Payment Dates</u>	<u>Principal Outstanding</u>	<u>Principal Retirements</u>	<u>Interest Expense</u>	<u>Annual Debt Service</u>
10th day of each month*	\$ -	\$ -	\$ -	\$ -
	-	-	-	-
	-	-	-	-
	-	-	-	-
	-	-	-	-
Totals	\$ -	\$ -	\$ -	\$ -

* The debt was rescheduled so as the Utility shall pay \$4,452 on the 10th day of each month. This payment plan began with the first payment on November 10, 1987 and for each 386 months thereafter.

A. Total interest payable during the next five years	\$ -	
Divide by five years	<u>15</u>	
Average Annual Interest Expense		\$ -
B. Total principal payable during the next five years	\$ -	
Divide by five years	<u>15</u>	
Average Annual Principal Expense		-
Average Annual Debt Service**		<u>\$ 53,424</u>

** \$4,452 per month x 12 months = \$53,424.

KINGSFORD HEIGHTS MUNICIPAL WATER UTILITY
KINGSFORD HEIGHTS, INDIANA
NOTES TO THE CASH REVENUE REQUIREMENTS STATEMENT

Line
No.

PAYMENT IN LIEU OF TAXES

1.	<u>Plant Factor:</u>	Original cost depreciated plus materials and supplies inventory.	<u>\$ 1,615,336</u>
2.	<u>Net Assessed Valuation:</u>	Divide Plant Factor by three.	<u>\$ 538,445.33</u>
3.	<u>Tax Rate:</u>	Use municipality's corporate tax rate which can be obtained from the County Auditor's Office.	<u>\$ 0.007028</u>
4.	<u>Effective Rate:</u>	Reduce corporate tax rate by 20%.	<u>\$ 0.005622</u>
5.	<u>Payment in Lieu of Taxes:</u>	Effective Rate times Net Assessed Valuation.	<u>\$ 3,027</u>

RETURN ON PLANT

6.	Utility plant in service at the end of the test year	\$ 1,616,066
7.	Less: Accumulated depreciation	<u>-</u>
8.	Net Utility Plant in Service	\$ 1,616,066
9.	Less: Contributions in aid of construction	<u>-</u>
10.	Net Applicable Utility Plant	<u>\$ 1,616,066</u>
11.	Pro forma operating receipts at proposed rates	\$ 264,568
12.	Less: Operating expenses	(180,713)
13.	Payment in lieu of taxes	(3,000)
14.	Utility receipts tax	(3,290)
14.	Depreciation expense (1)	<u>(32,321)</u>
15.	Net utility operating income	\$ 45,244
16.	Divided by net applicable utility plant	<u>1,616,066</u>
17.	Rate of Return Requested	<u>2.80%</u>

(1) \$1,616,066 x 2.00% = \$32,321.

INDIANA UTILITY REGULATORY COMMISSION

GENERAL INSTRUCTIONS AND FORMS

FOR

SMALL MUNICIPAL WATER UTILITY

RATE CASE

ENGINEERING SECTION

GENERAL INSTRUCTIONS

The following forms have been developed by the I.U.R.C. Water Section of the Engineering Division. The purpose of these forms is to provide the I.U.R.C. with the general information required to assist in the processing of Small Water and Sewer company rate cases.

In general, the information provided on completed forms should reflect test year data. It is in the best interest of those involved that the information provided be complete and accurate.

A tariff incorporating the proposed rates must be included as a part of the filing. The proposed tariff should include recurring rates and all non- recurring charges.

GENERAL INFORMATION

COMPANY NAME Kingsford Heights Water Utility

CONTACT PERSON Rosalie Jacobs TELE NO. 219-393-3309

MAILING ADDRESS P.O. Box 330
Kingsford Heights, IN 46346

CERTIFIED OPERATOR Timothy Lindewald NO. 1) 7788 2) 007789

GRADE 1) WT3 2) DSM EXPIRATION DATE 30-Jun-08

NO. CUSTOMERS 528

RESIDENTIAL 505

COMMERCIAL 18

GOVERNMENTAL/SCHOOL 4 / 1

IS INCREASE ACROSS THE BOARD?

(if no, justification such as cost of service study must be supplied.)

Yes

ARE NON-RECURRING CHARGES BEING REVISED?

(if yes, cost justification must be supplied)

No

COMPOSITE DEPRECIATION RATE

(if other than composite, supply details)

N/A

AUTHORITY FOR CURRENT DEPRECIATION RATE (commission order date).

IS THE DEPRECIATION RATE BEING CHANGED IN THIS PROCEEDING?

(if yes, supply justifications, such as the depreciation study, supporting the change)

No

FACILITIES DESCRIPTION

[illegible]

WATER LOSS

<u>MONTH - YEAR</u>	<u>PUMPAGE</u>	<u>SALES</u>
Jan-07	5,191,000	\$2,087,000
Feb-07	4,545,000	2,175,000
Mar-07	4,982,000	2,067,000
Apr-07	4,955,000	1,918,000
May-07	5,144,000	2,345,000
Jun-07	5,879,000	2,508,000
Jul-07	5,697,000	2,984,000
Aug-07	4,492,000	2,700,000
Sep-07	4,243,000	2,692,000
Oct-07	4,134,000	2,477,000
Nov-07	4,518,000	2,325,000
Dec-07	4,842,000	2,099,000
TOTAL	58,622,000	\$28,377,000

PERCENT UNACCOUNTED FOR WATER = $\frac{\text{PUMPAGE} - \text{SALES}}{\text{PUMPAGE}}$

= 51.59%

CALCULATION OF REQUIREMENT FOR EXTENSIONS AND REPLACEMENTS **HISTORICAL ANNUAL EXTENSIONS & REPLACEMENTS**

TEST YEAR

BEGIN : MON January YR 2007

ENDING: MON December YR 2007

	AMOUNT
TEST YEAR	<u>0</u>
PRECEDING 12 MONTHS	<u>0</u>
PRECEDING 6 MONTHS	<u>0</u>
TOTAL	<u>0</u>
LESS: AMOUNTS COLLECTED FROM CONNECTION CHARGE, EXTENSIONS CHARGES, ETC	<u>(8,749)</u>
LESS: IMPROVEMENTS FUNDED BY DEBT	<u>0</u>
PLUS: AMORTIZABLE PORTION OF NON RECURRING ITEMS NOT FUNDED BY DEBT	<u>0</u>
PLANT EXTENSIONS & IMPROVEMENTS FUNDED THROUGH REVENUES	<u>(8,749)</u>
DIVIDED BY TWO AND ONE HALF YEARS: / 2.5	<u>2.5</u>
AVERAGE ANNUAL EXTENSIONS AND REPLACEMENTS	<u>(3,500)</u>

CALCULATION OF REQUIREMENT FOR EXTENSIONS AND REPLACEMENTS

CAPITAL IMPROVEMENT PLAN (To be completed if future extensions and replacements to plant are expected to vary significantly from the historical average calculated previously. Improvements should be planned for the next three years and cost estimates or bids obtained from material suppliers, contractors or consulting engineers should be attached.)

[illegible]

COMPANY NAME Kingsford Heights Municipal Water Utility

ADMINISTRATIVE BOARD Town of Kingsford Heights Town Council

RESOLVES

- (1) TO ADOPT CAPITAL IMPROVEMENT PROGRAM CERTIFIED BY PROFESSIONAL CONSULTANTS.
- (2) TO ACCEPT RESPONSIBILITY FOR PROVIDING THIS COMMISSION WITH ANNUAL REPORTS ON
- (A) CONSTRUCTING PROGRESS
 - (B) EXPENDITURES
 - (C) WORKING DOCUMENTS FOR SUBSEQUENT YEAR, AND
 - (D) PROGRAM CHANGES, IT BEING UNDERSTOOD THAT ANY PROGRAM CHANGES MUST
RECEIVE CONCURRENCE BY THE ENGINEERING DIVISION OF THIS COMMISSION.

SIGNATURE _____

SIGNATURE _____

SIGNATURE _____

DATE _____

KINGSFORD HEIGHTS MUNICIPAL WATER UTILITY

LEGAL NOTICE

LEGAL NOTICE OF FILING FOR A CHANGE IN WATER RATES
BY THE TOWN OF KINGSFORD HEIGHTS
Kingsford Heights, Indiana

Notice is hereby given that on _____, 2008 the Town of Kingsford Heights (the "Utility"), Indiana, filed with the Indiana Utility Regulatory Commission for an increase in its schedule of rates and charges of approximately 36.3% for water sold to its customers.

The Utility has filed its application for a rate change under IC 8-1-2-61.5 without the necessary costs of a utility regulatory commission hearing; however, a public hearing by the utility regulatory commission will be held if any public or municipal corporation, ten (10) individuals, firms, corporations, or associations, or ten (10) complainants of all or any of these classes affected by the proposed rate change or the utility consumer counselor requests a formal public hearing by filing a written signed request with the Secretary, Indiana Utility Regulatory Commission, National City Center, 101 West Washington Street, Suite 1500 East, Indianapolis, IN 46204. Such request must be filed with the Indiana Utility Regulatory Commission within forty (40) days of the date the application for rate change was filed with the Indiana Utility Regulatory Commission. There will likely be no hearing on this matter in the absence of a written request for such hearing.

KINGSFORD HEIGHTS MUNICIPAL WATER UTILITY

AUTHORIZING RESOLUTION

RESOLUTION NUMBER 2008-04

A RESOLUTION AUTHORIZING APPLICATION
FOR SMALL UTILITY RATE CHANGE

WHEREAS, the Town of Kingsford Heights Water Utility is a municipal water utility that serves fewer than 5,000 customers to which it provides primarily retail water services; and

WHEREAS, it has been determined that said utility should apply for a small utility rate change by submitting an application with the Rates Division of the Indiana Utility Regulatory Commission;

NOW THEREFORE, BE IT RESOLVED, by the Town Council of the Town of Kingsford Heights, Indiana that it authorizes and directs that a complete small utility rate change application form be filed with the Indiana Utility Regulatory Commission, Rates Division, so that it might approve a rate change in accordance with the small utility rate change procedure as provided for in I.C. 8-1-2-61.5 and 170 IAC 14-1-1 et seq.

IT IS FURTHER RESOLVED that the Town's financial advisor, Umbaugh, is hereby authorized to do all things necessary to carry out the intent of this resolution and more specifically, to prepare and file the application provided for hereinabove.

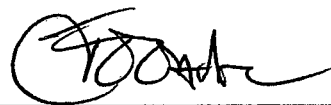
It is intended that a copy of this Resolution shall be filed with the application for rate change as provided for the 170 IAC 14-1-2 (4).

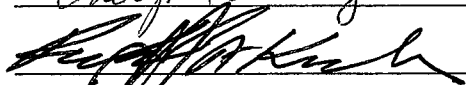
REPEALER: All resolutions or parts of resolutions in conflict herewith are hereby repealed.

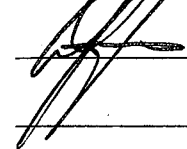
SEVERABILITY: Any provision herein contained which is found by a court of competent jurisdiction to be unlawful or which by operation shall be inapplicable, shall be deemed omitted but the rest and remainder of this resolution, to the extent feasible, shall remain in full force and effect.

EFFECTIVE DATE: This resolution shall be in full force and effect upon passage.


ADOPTED BY THE TOWN COUNCIL OF THE TOWN OF KINGSFORD HEIGHTS,
INDIANA THIS 25th DAY OF February, 2008.



Evelyn Ballenger




ATTEST:



KINGSFORD HEIGHTS MUNICIPAL WATER UTILITY

VERIFIED STATEMENT

**VERIFIED STATEMENT IN SUPPORT THAT THE KINGSFORD HEIGHTS MUNICIPAL WATER UTILITY
CURRENTLY IS INDEBTED TO THE FEDERAL GOVERNMENT**

TO THE INDIANA UTILITY REGULATORY COMMISSION OF INDIANA:

1. Kingsford Heights Municipal Water Utility (the "Utility") under the authority of the Indiana Utility Regulatory Commission hereby verifies that the Utility is currently indebted to the federal government of the United States of America.

Kingsford Heights Municipal Water Utility

By: *Rosalee Jacobs*
Clerk-Treasurer

STATE OF INDIANA)
) SS:
COUNTY OF LAPORTE)

Personally appeared before me, a Notary Public in and for said County and State, this 27 day of FEBRUARY, 2008, who, after having been duly sworn according to law, stated that she is the Clerk-Treasurer, Town of Kingsford Heights, Indiana; that she has read the matters and facts stated above, and in all exhibits attached hereto, and that the same are true; that she is duly authorized to execute this instrument for and on behalf of the applicant herein.

Maria C. Pose
Notary Public *d*

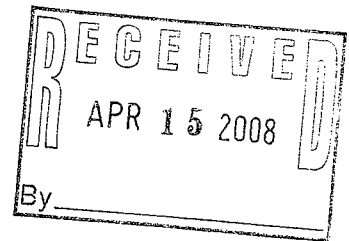
My Commission expires: 7-11-2008

KINGSFORD HEIGHTS MUNICIPAL WATER UTILITY

RURAL DEVELOPMENT CONSENT



United States Department of Agriculture
Rural Development • Columbia City Area I Office



April 11, 2008

Town of Kingsford Heights
P.O. Box 330
Kingsford Heights, IN 46346

Dear board Members:

Rural Development does not oppose or object to the Kingsford Heights Water Utility pursuing a rate increase without a formal public hearing under the Indiana Utility Rate Commission (IURC) small utility filing requirements.

Sincerely,

A handwritten signature in black ink, appearing to read "T. J. Bernhard".

Thomas J. Bernhard
Area Specialist

1919 E. Business 30 • PO Box 699 • Columbia City, IN 46725
Phone: (260) 244-6266 Ext. 4 • Fax: (260) 248-2778 • TDD: (317) 290-3348 • Web: <http://www.rurdev.usda.gov/in>

Committed to the future of rural communities.

Rural Development is an Equal Opportunity Lender, Provider and Employer. Complaints of discrimination should be sent to
USDA, Director, Office of Civil Rights, 1400 Independence Avenue, S. W., Washington, DC 20250-9410,
or call (800) 795-3272 (voice) or (202) 720-6382 (TDD)
Persons with disabilities requiring alternative communication methods should contact USDA's Target Center at (202) 720-2600 (voice and TDD).

KINGSFORD HEIGHTS MUNICIPAL WATER UTILITY
WORKPAPERS

KINGSFORD HEIGHTS (INDIANA) MUNICIPAL WATER UTILITY

UNAUDITED TRIAL BALANCE

December 31, 2005

Fund Number								Adjusted
Fund Name								Totals
Acct No.		Account Title	Operating	DSR	Construction	Totals	Adjustments	
Receipts:								
461.1	Operating	Metered Sales - Residential	151,040.18			151,040.18		151,040.18
461.2	Operating	Metered Sales - Commercial	8,486.50			8,486.50		8,486.50
	Operating	Metered Sales - Governmental	2,919.10			2,919.10		2,919.10
	Operating	Sales Tax	9,263.71			9,263.71		9,263.71
	Operating	Penalties	2,175.19			2,175.19		2,175.19
	Operating	Miscellaneous	7,136.27			7,136.27	(54.56)	7,081.71
	Operating	Hydrant Rental	21,323.70			21,323.70		21,323.70
	Operating	Interest	3,917.71			3,917.71		3,917.71
	DSR	Investments - cashed in		100,000.00		100,000.00		100,000.00
	Operating	Transfer					54.56	54.56
Total Receipts			206,262.36	100,000.00	0.00	306,262.36	0.00	306,262.36
Disbursements:								
601	Operating	Salaries & Wages - Employees	34,296.50			34,296.50		34,296.50
603	Operating	Salaries & Wages - Officers	14,939.17			14,939.17		14,939.17
604	Operating	Employee Pensions & Benefits	13,183.77			13,183.77		13,183.77
	DSR	Investments - Purchased		100,000.00		100,000.00		100,000.00
615	Operating	Purchased Power	10,196.64			10,196.64		10,196.64
616	Operating	Fuel For Power Production	0.00			0.00		0.00
618	Operating	Chemicals	1,730.58			1,730.58		1,730.58
620	Operating	Materials & Supplies	18,629.62			18,629.62		18,629.62
	Operating	Repairs	8,956.68			8,956.68		8,956.68
631	Operating	Professional	650.00			650.00		650.00
635	Operating	Testing	2,474.50			2,474.50		2,474.50
	Operating	Inspections & Maintenance Agreements	1,706.00			1,706.00		1,706.00
640	Operating	Rents	398.00			398.00		398.00
650	Operating	Transportation	1,152.05			1,152.05		1,152.05
655	Operating	Insurance	11,377.87			11,377.87		11,377.87
665	Operating	Utility Regulatory Expense	0.00			0.00		0.00
670	Operating	Sales Tax	9,281.06			9,281.06		9,281.06
408	Operating	Utility Receipts Tax	2,260.00			2,260.00		2,260.00
675	Operating	Miscellaneous	5,633.26			5,633.26	(1.00)	5,632.26
	Operating	Capital Expenditures	249.80			249.80		249.80
	Operating	FMHA Loan	53,424.00			53,424.00		53,424.00
	Operating	Office Supplies & Expense	2,659.29			2,659.29		2,659.29
	Operating	PILOT	3,000.00			3,000.00		3,000.00
	Construction	Transfer			54.56	54.56		54.56
Total Disbursements			196,198.79	100,000.00	54.56	296,253.35	(1.00)	296,252.35
Net Increase (Decrease) in Cash			10,063.57	0.00	(54.56)	10,009.01	1.00	10,010.01
Beginning Cash Balance			40,194.19	3,424.00	54.56	43,672.75		43,672.75
Ending Cash Balance			50,257.76	3,424.00	0.00	53,681.76	1.00	53,682.76
Ending Cash Balance Per Books			50,258.00	3,424.00	0.00			
Variance			(0.24)	0.00	0.00			
Investments								100,000.00
Total Cash and Investments								153,682.76
Per Books								153,682.00
Variance								0.76
Transfers: IN			54.56					
OUT			54.56					
Variance			0.00					

UNAUDITED TRIAL BALANCE
December 31, 2006

(107)

December 31, 2007

(0.40)

KINGSFORD HEIGHTS (INDIANA) MUNICIPAL WATER UTILITY

SCHEDULE OF RECLASSIFICATIONS (WORKPAPER)

	<u>Debit</u>	<u>Credit</u>
<u>2005</u>		
<u>Adjustment (1)</u>		
To reclassify a transfer from Construction Fund to Operating Fund originally recorded as a miscellaneous receipt.		
Miscellaneous	\$54.56	
Transfer		\$54.56

Conclusion: The \$54.56 was a transfer, not a miscellaneous receipt.

DETAIL REVENUE
(2006)

[illegible]

KINGSFORD HEIGHTS (INDIANA) MUNICIPAL WATER UTILITY

MISCELLANEOUS RECEIPTS DETAIL

(2006)

	<u>Reconnection Fees</u>	<u>Bad Checks</u>	<u>Service Calls</u>	<u>Hook-up Fees</u>	<u>Misc. Parts / Scrap Sale</u>	<u>Tap Fee</u>	<u>Insurance Refund</u>	<u>Total</u>	<u>Per Books</u>	<u>Variance</u>
January 2006	\$60.00	\$20.00	\$57.50	\$287.00				\$424.50	\$424.50	\$0.00
February 2006	30.00	40.00	32.50	246.00				348.50	348.50	-
March 2006	50.00	40.00		328.00	7.50			425.50	425.50	-
April 2006	75.00		90.00	246.00		225.00	369.00	1,005.00	1,005.00	-
May 2006	130.00	40.00	85.00	164.00	355.00			774.00	774.00	-
June 2006	120.00	20.00		287.00	24.87			451.87	451.87	-
July 2006	165.00	20.00		205.00	99.38			489.38	489.38	-
August 2006	150.00	20.00	380.00	410.00				960.00	960.00	-
September 2006	115.00	50.00		410.00				575.00	575.00	-
October 2006	30.00	30.00		82.00				142.00	142.00	-
November 2006	135.00	50.00	85.00	246.00				516.00	516.00	-
December 2006	185.00	20.00	1,545.33	205.00				1,955.33	1,955.33	-
Totals	<u>\$1,245.00</u>	<u>\$350.00</u>	<u>\$2,275.33</u>	<u>\$3,116.00</u>	<u>\$486.75</u>	<u>\$225.00</u>	<u>\$369.00</u>	<u>\$8,067.08</u>	<u>\$0.00</u>	<u>\$0.00</u>

KINGSFORD HEIGHTS (INDIANA) MUNICIPAL WATER UTILITY

MISCELLANEOUS RECEIPTS DETAIL

(2007)

	<u>Reconnection Fees</u>	<u>Bad Checks</u>	<u>Service Calls</u>	<u>Hook-up Fees</u>	<u>Refunds / Reimbursements</u>	<u>Misc. Parts / Scrap Sale</u>	<u>Tap Fee</u>	<u>Insurance Refund</u>	<u>Total</u>	<u>Per Books</u>	<u>Variance</u>
January 2007	\$60.00	\$30.00	\$25.00	\$287.00					\$402.00	\$402.00	\$0.00
February 2007	15.00	10.00		369.00					394.00	394.00	-
March 2007	75.00	20.00	325.00	164.00		15.00			599.00	599.00	-
April 2007	200.00	40.00	241.27	164.00					645.27	645.27	-
May 2007	90.00	30.00	20.00	369.00					509.00	509.00	-
June 2007	90.00	20.00		328.00	619.58				1,057.58	1,057.58	-
July 2007	135.00	30.00	82.50	123.00			675.00		1,045.50	1,045.50	-
August 2007	120.00	60.00	132.50	369.00	50.00				731.50	731.50	-
September 2007	60.00	20.00	111.00	328.00					519.00	519.00	-
October 2007	225.00	40.00		246.00					511.00	511.00	-
November 2007	205.00	10.00		246.00					461.00	461.00	-
December 2007	120.00	70.00	25.00			5.00			220.00	220.00	-
Totals	<u>\$1,395.00</u>	<u>\$380.00</u>	<u>\$962.27</u>	<u>\$2,993.00</u>	<u>\$669.58</u>	<u>\$20.00</u>	<u>\$675.00</u>	<u>\$0.00</u>	<u>\$7,094.85</u>	<u>\$0.00</u>	<u>\$0.00</u>

KINGSFORD HEIGHTS (INDIANA) MUNICIPAL WATER UTILITY

Pay Date	Check #	Total	Employees							
			Timothy Lindewald	Rosalie Jacobs	Lois Dawson	Evelyn Baillinger	David Enochs	Jeana Blake	Richard Knowlton	Jeffrey Maki
Position:			Water Plant Operator	CT	Office Asst.	Town Council	Town Council	Town Council	Town Council	Town Council
Pct. Pay From Water:			100% Water Pay	1/3 Water Pay	1/3 Water Pay	1/4 Water	1/4 Water	1/4 Water	1/4 Water	1/4 Water
Approx Hours per Week:			40 Hours	40 Hours	25 Hours					
Account:			Salaries & Wages-Employees	Salaries & Wages-Officers						
			Reg.							
			O.T.							
1/5/2007	436		\$668.80	\$502.00	\$211.14					
1/12/2007	441		668.80	502.00	201.96					
1/19/2007	446		690.40	518.00	208.34					
1/26/2007	451		690.40	518.00	198.87					
2/2/2007	457		690.40	518.00	269.90					
2/9/2007	463		690.40	518.00	208.34					
2/16/2007	469		690.40	518.00	104.17					
2/23/2007	475		690.40	518.00	227.28					
3/2/2007	481		690.40	518.00	217.81					
3/9/2007	488		690.40	518.00	208.34					
3/16/2007	495		690.40	518.00	208.34					
3/23/2007	502		690.40	518.00	208.34	\$550.00	\$500.00	\$500.00	\$500.00	\$500.00
3/30/2007	509		690.40	518.00	208.34					
4/5/2007	516		690.40	518.00	250.96					
4/13/2007	523		690.40	518.00	217.81					
4/20/2007	530		690.40	518.00	250.96					
4/27/2007	563		690.40	518.00	208.34					
5/4/2007	544		690.40	518.00	208.34					
5/11/2007	551		690.40	518.00	236.75					
5/18/2007	558		690.40	518.00	378.80					
5/25/2007	565		690.40	518.00	250.96					
6/1/2007	572		690.40	518.00	265.16					
6/8/2007	579		690.40	518.00	234.38					
6/15/2007	586		690.40	518.00	312.51					
6/22/2007	593		690.40	518.00	246.22	550.00	500.00	500.00	500.00	500.00
6/29/2007	600		690.40	518.00	241.49					
7/6/2007	607		690.40	518.00	284.10					
7/13/2007	614		690.40	518.00	250.96					
7/20/2007	622		690.40	518.00	132.58					
7/27/2007	628		690.40	518.00	217.81					
8/3/2007	635		690.40	518.00	250.96					
8/10/2007	642		690.40	518.00	208.34					
8/17/2007	649		690.40	518.00	236.75					
8/24/2007	656		690.40	518.00	198.87					
8/31/2007	663		690.40	518.00	208.34					
9/7/2007	670		690.40	518.00	260.43					
9/14/2007	677		690.40	518.00	156.26					
9/21/2007	684		690.40	518.00	170.46	550.00	500.00	500.00	500.00	500.00
9/28/2007	691		690.40	518.00	250.96					
10/5/2007	698		690.40	518.00	189.40					
10/12/2007	705		690.40	518.00	213.08					
10/19/2007	712		690.40	518.00	241.49					
10/26/2007	719		690.40	518.00	246.22					
11/2/2007	726		690.40	518.00	250.96					

KINGSFORD HEIGHTS (INDIANA) MUNICIPAL WATER UTILITY

Pay Date	Check #	Total	Employees								Total Officers
			Timothy Lindewald	Rosalie Jacobs	Lois Dawson	Evelyn Ballinger	David Enochs	Jeana Blake	Richard Knowlton	Jeffrey Maki	
Position:			Water Plant Operator	C/T	Office Asst.	Town Council	Town Council	Town Council	Town Council	Town Council	
Pct. Pay From Water:			100% Water Pay	1/3 Water Pay	1/3 Water Pay	1/4 Water	1/4 Water	1/4 Water	1/4 Water	1/4 Water	
Approx Hours per Week:			40 Hours	40 Hours	25 Hours						
Account:			Salaries & Wages-Employees	Salaries & Wages-Officers							
			Reg.	O.T.							
11/9/2007	733		690.40	129.45	518.00	232.02					
11/16/2007	740		690.40	6.47	518.00	241.49					
11/23/2007	747		690.40		518.00	260.43					
11/30/2007	754		690.40	58.25	518.00	284.10					
12/7/2007	761		690.40	181.23	518.00	246.22	550.00	500.00	500.00	500.00	
12/14/2007	768		690.40		621.60 *	160.99					
12/21/2007	775		690.40		518.00	265.16					
12/21/2007	776		414.24 *		518.00						
12/28/2007	784		690.40	116.51	518.00	260.43					
Total Pay			<u>\$36,271.84</u>	<u>\$1,842.24</u>	<u>\$27,525.60</u>	<u># \$11,902.66</u>	<u># \$2,200.00</u>	<u># \$2,000.00</u>	<u># \$2,000.00</u>	<u># \$2,000.00</u>	
Divide by:					<u>3</u>	<u>3</u>	<u>4</u>	<u>4</u>	<u>4</u>	<u>4</u>	
Water Share			<u>\$38,114.08</u>		<u>\$9,175.20</u>	<u>\$3,967.55</u>	<u>\$550.00</u>	<u>\$500.00</u>	<u>\$500.00</u>	<u>\$500.00</u>	<u>\$15,692.75</u>
Per Books			<u>38,114.08</u>								<u>15,561.32</u>
Variance			0.00								131.43

* These checks are cash received for cashing in personal absence time left over from year.

KINGSFORD HEIGHTS (INDIANA) MUNICIPAL WATER UTILITY

Date	Check #	Vendor	Amount	FICA	Medicare	PERF	Group Insurance	Unemployment	Wages Subject to PERF		Total Wages		Description
									Employees	Office	Employees	Office	
1/30/2007	6473	Town	1,041.74	231.73	54.20	173.34	582.47		2,793.64	673.20	2,793.64	943.91	Benefits (Period 1/1/07 - 1/31/07)
2/27/2007	6494	Town	1,038.78	230.20	53.84	172.27	582.47		2,761.60	683.76	2,761.60	950.96	Benefits (Period 2/1/07 - 2/28/07)
3/28/2007	6519	Town	1,381.75	351.35	82.16	234.11	582.47	131.66	3,827.41	854.70	3,827.41	1,839.08	Benefits (Period 3/1/07 - 3/31/07)
4/27/2007	6536	Town	1,062.21	242.64	56.74	180.36	582.47		2,923.41	683.76	2,923.41	990.03	Benefits (Period 4/1/07 - 4/30/07)
5/31/2007	6548	Town	1,045.47	235.62	55.11	172.27	582.47		2,761.60	683.76	2,761.60	1,038.46	Benefits (Period 5/1/07 - 5/31/07)
6/29/2007	6577	Town	1,224.48	333.18	77.89	215.34	582.47	15.60	3,452.00	854.80	3,452.00	1,921.12	Benefits (Period 6/1/07 - 6/30/07)
7/31/2007	6598	Town	1,064.42	243.38	56.91	181.66	582.47		2,949.30	683.76	2,949.30	975.96	Benefits (Period 7/1/07 - 7/31/07)
8/30/2007	6629	Town	1,196.08	309.66	72.43	231.52	582.47		3,775.63	854.77	3,775.63	1,218.78	Benefits (Period 8/1/07 - 8/31/07)
9/28/2007	6644	Town	1,121.31	284.36	66.48	183.60	582.47	4.40	2,988.14	683.76	2,988.14	1,597.83	Benefits (Period 9/1/07 - 9/30/07)
10/30/2007	6657	Town	1,040.81	231.86	54.21	172.27	582.47		2,761.60	683.76	2,761.60	977.51	Benefits (Period 10/1/07 - 10/31/07)
11/30/2007	6680	Town	1,256.71	305.02	71.33	225.05	655.31		3,646.17	854.83	3,646.17	1,273.47	Benefits (Period 11/1/07 - 11/30/07)
12/28/2007	6697	Town	1,279.50	329.12	76.95	218.12	655.31		3,473.58	888.82	3,473.58	1,834.21	Benefits (Period 12/1/07 - 12/31/07)
Totals			<u>\$13,753.26</u>	<u>\$3,328.12</u>	<u>\$778.25</u>	<u>\$2,359.91</u>	<u>\$7,135.32</u>	<u>\$151.66</u>	<u>\$38,114.08</u>	<u>\$9,083.68</u>	<u>\$38,114.08</u>	<u>\$15,561.32</u>	
Per Books			<u>13,753.06</u>										
% Analyzed			100%	100%	100%	100%	100%	100%					

KINGSFORD HEIGHTS (INDIANA) MUNICIPAL WATER UTILITY

Account: Purchased Power

Date	Check #	Vendor	Amount	KwH	Description
1/9/2007	6457	Town Electric Utility	\$1,238.84	14,174	Purchased Power
2/13/2007	6475	Town Electric Utility	1,113.60	12,733	Purchased Power
3/13/2007	6500	Town Electric Utility	1,336.69	15,300	Purchased Power
4/10/2007	6520	Town Electric Utility	1,058.15	12,095	Purchased Power
5/8/2007	6538	Town Electric Utility	956.53	11,881	Purchased Power
6/12/2007	6559	Town Electric Utility	764.48	9,478	Purchased Power
7/10/2007	6579	Town Electric Utility	720.21	8,924	Purchased Power
8/14/2007	6600	Town Electric Utility	790.22	9,800	Purchased Power
9/12/2007	6631	Town Electric Utility	650.04	8,046	Purchased Power
10/9/2007	6645	Town Electric Utility	643.26	7,886	Purchased Power
11/13/2007	6659	Town Electric Utility	558.46	6,835	Purchased Power
12/11/2007	6681	Town Electric Utility	726.77	8,921	Purchased Power
Totals			<u>\$10,557.25</u>	<u>126,073</u>	
Per Books			<u>10,557.25</u>		
Variance			\$0.00		

Conclusion: The TY has 12 monthly PP bills.

KINGSFORD HEIGHTS (INDIANA) MUNICIPAL WATER UTILITY

Account: Materials & Supplies -620

Date	Check #	Vendor	Amount	Description
1/9/2007	6458	Aranark Uniforms	\$36.16	Uniform cleaning
1/23/2007	6469	Aranark Uniforms	36.16	Uniform cleaning
1/23/2007	6470	Kabelin Ace Hardware	41.32	Air filter for water plant valve
1/23/2007	6471	USA Bluebook	95.07	Marking paint for hydrants
2/13/2007	6476	Correlated Products	430.00	Hydraulic oil - 1 drum
2/13/2007	6477	Dye Plumbing	221.12	Pipe repair parts
2/13/2007	6478	Utility Supply	36.79	Gloves
2/13/2007	6479	Pavey Excavating	21.63	Repair parts
2/13/2007	6487	Aranark Uniforms	36.16	Uniform cleaning
2/13/2007	6488	USA Bluebook	164.59	Lab supplies
2/27/2007	6495	Midwest Meter	149.03	Freeze plates
2/27/2007	6496	E.J. Prescott, Inc.	903.83	Lateral repair parts / Misc. fittings
3/13/2007	6501	Aranark Uniforms	38.13	Uniform cleaning
3/13/2007	6502	Rackham Service Corp.	71.22	Motor oil
3/13/2007	6503	Culligan	3.00	Service fee
3/13/2007	6504	E.J. Prescott, Inc.	630.58	Compression fittings
3/13/2007	6505	Kabelin Ace Hardware	255.55	Plumbing supplies for well houses
3/13/2007	6506	Rackham Service Corp.	237.13	Diesel
3/27/2007	6516	Aranark Uniforms	38.13	Uniform cleaning
4/10/2007	6521	NAPA Auto	68.75	Car batteries
4/10/2007	6522	Gall's Inc.	278.97	Flash lights for water utility
4/10/2007	6532	Tri-Corp. Wireless	29.99	New phone
4/24/2007	6533	Aranark Uniforms	43.52	Uniform cleaning
4/24/2007	6534	Union Mills Hardware	30.69	Pipe couplers
5/8/2007	6539	Aranark Uniforms	43.52	Uniform cleaning
5/8/2007	6540	Channing Bete, Co.	88.36	Sitckers, crayons, books
5/31/2007	6549	Aranark Uniforms	456.91	New uniforms & embroidery
5/31/2007	6550	E.J. Prescott, Inc.	302.40	Curb boxes
5/31/2007	6551	Dennis Miller, OD	159.50	Misc. parts
5/31/2007	6552	Midwest Meter	101.96	* 1" water meter
5/31/2007	6553	Tri-Corp. Wireless	49.98	Battery & car charger for cell phone
6/12/2007	6560	Pavey Excavating	147.00	Black fill dirt for area of water repair
6/12/2007	6561	Utility Supply	249.18	Tubing crimper
6/26/2007	6569	Town	7.03	Petty Cash
6/26/2007	6570	Aranark Uniforms	43.52	Uniform cleaning
6/26/2007	6571	All American Welding Suppl:	14.36	CO2 cartidges
6/26/2007	6572	Hawkins Print Shop	104.60	Annual CCR reports
6/26/2007	6573	Staples, Inc.	56.97	Ink
7/10/2007	6580	Owen's Motor Supply	467.92	Batteries for generator at water plant
7/10/2007	6581	E.J. Prescott, Inc.	481.67	Hydrant Riser
7/24/2007	6589	Aranark Uniforms	43.52	Uniform cleaning
7/24/2007	6590	Correlated Products	402.00	Brake parts/deoderizer/weed killer
7/24/2007	6591	Staples, Inc.	17.99	Ink
7/27/2007	6592	Tri-Corp. Wireless	15.99	Cord for phone camera
7/24/2007	6593	Hoosier Hydraulics	12.95	Hose repair
8/14/2007	6602	Aranark Uniforms	43.52	Uniform cleaning
8/14/2007	6603	Radio Shack	39.98	Cell phone parts
8/14/2007	6604	Kabelin Ace Hardware	117.72	Garden rakes / floor dry
8/14/2007	6613	Union Mills Hardware	13.30	Plumbing supplies
8/28/2007	6617	Aranark Uniforms	43.52	Uniform cleaning
8/28/2007	6618	CSI - Net	103.95	Computer repair
8/28/2007	6619	Kabelin Ace Hardware	227.99	Dehumidifier
8/28/2007	6620	FCX Performance	418.33	Digital Panel Meter
8/28/2007	6621	Union Mills Hardware	36.81	Hose clamps
8/28/2007	6622	Utility Supply	102.40	Misc. suplies
8/28/2007	6623	Zee Medical	37.80	Medical supplies

KINGSFORD HEIGHTS (INDIANA) MUNICIPAL WATER UTILITY

Account: Materials & Supplies -620

Date	Check #	Vendor	Amount	Description
8/28/2007	6624	USA Bluebook	506.11	Testing equipment
9/12/2007	6632	Aranark Uniforms	43.52	Uniform cleaning
9/25/2007	6640	Kabelin Ace Hardware	8.54	Mason jars
9/25/2007	6641	Midwest Meter	1,365.00	* 3/4" water meter - 18 of them (\$75 each)
10/9/2007	6646	Aranark Uniforms	43.52	Uniform cleaning
10/9/2007	6647	E.J. Prescott, Inc.	737.98	Hydrant extensions - 3 of them
10/9/2007	6648	Utility Supply	330.22	Copper bull horns for meters - 5 of them
11/13/2007	6660	Aranark Uniforms	43.52	Uniform cleaning
11/13/2007	6661	Hawkins Print Shop	79.00	Valve & hydrant records
11/13/2007	6662	Kabelin Ace Hardware	19.88	Misc. suplies
11/13/2007	6663	TNT Fire Equipment	262.50	Fire extinguishers
11/13/2007	6669	Aranark Uniforms	43.52	Uniform cleaning
11/13/2007	6670	Tri-Corp. Wireless	68.62	Battery
12/11/2007	6683	Aranark Uniforms	43.52	Uniform cleaning
12/11/2007	6684	Staples, Inc.	72.97	Ink
12/11/2007	6685	Owen's Motor Supply	32.88	Antifreeze
12/27/2007	6692	E.J. Prescott, Inc.	3,245.90	* 8" valve (oil) & 10" valve (oil)/NIPSCO broke line
12/27/2007	6693	Aranark Uniforms	43.52	Uniform cleaning
12/27/2007	6694	Sears	150.00	Gift certificate
12/27/2007	6695	E.J. Prescott, Inc.	902.43	Gaskets & Couplings
Totals			<u>\$16,393.32</u>	
Per Books			<u>16,393.32</u>	
Variance			\$0.00	

Conclusions:

- 1) Uniform cleaning (Aramark) occurs every 3rd week (17 times per year). There are 17 cleanings in 2007. Need to normalize for current rate of \$43.52.

KINGSFORD HEIGHTS (INDIANA) MUNICIPAL WATER UTILITY

Account: Repairs

Date	Check #	Vendor	Amount	Description
1/9/2007	6467	Service One	\$400.40	Pneumatic problem at plant Supplied & installed new premium efficient motor @
2/13/2007	6492	Peerless Midwest, Inc.	3,945.00	* well #3A, this is why regular well maintenance wasn't done
3/13/2007	6512	Service One	1,091.40	* Replace Solenoid in well house
3/27/2007	6517	Smeaton Bros. Roofing	800.00	* Reroofing of well houses
5/31/2007	6558	Service One	883.28	Valve repair
7/10/2007	6584	Apex Muffler	100.00	Muffler replacement on van
7/24/2007	6596	Peerless Midwest, Inc.	480.00	Motor & shaft inspection
8/14/2007	6615	Service One	374.00	Pump repair
8/28/2007	6626	Peerless Midwest, Inc.	2,743.00	* Repair well 2A shaft
8/28/2007	6627	Service One	2,049.93	* Water tower repair
9/12/2007	6636	Beall & Sons	930.00	Water plant repairs
9/25/2007	6643	Hermann & Goetz, Inc.	1,133.08	New battery charges & installation (every 4-5 yrs.)
10/9/2007	6652	LiquiVision Technology	3,450.00	* Diving & inspection of clearwell/this is where mercury was fou
10/9/2007	6653	Service One	673.20	Service on wells
		Totals	\$19,053.29	
		Per Books	19,053.29	
		Variance	\$0.00	

Conclusion:

Non-recurring items that need adjusted out of pro forma operating expense are marked with an *.

KINGSFORD HEIGHTS (INDIANA) MUNICIPAL WATER UTILITY

Account: Capital Expenditures

<u>Date</u>	<u>Check #</u>	<u>Vendor</u>	<u>Amount</u>	<u>Description</u>
2/13/2007	6486	Staples	729.89	Laptop Computer

Conclusion: The only capital purchase in test year was a laptop.

KINGSFORD HEIGHTS (INDIANA) MUNICIPAL WATER UTILITY

Account: All 2006 Revenue & Expense Accounts

Date	Check #	Vendor	Amount	Description
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REVENUE:

EXPENSE:

Repairs 630

				Chemical Cleaning Well #1 (usually do 1 well every year)
5/11/2006	6284	Peerless Midwest	\$6,785.00	Didn't in 2007 due to other repairs on well #3
8/15/2006	6348	J&G Innovation	1,808.13	Well #1 pump repair
11/28/2006	6428	Peerless Midwest	1,290.00	Same as 2007 Check #6688 (inspections)
12/28/2006	6455	Peerless Midwest	<u>2,145.00</u>	Install 10" butterfly valve

Professional 631

1/10/2006	6196	IDEM	\$498.75	Annual IDEM dues
4/25/2006	6268	Friedman & Associates	450.00	Attorney for case of Kingsford Heights vs. Bom
8/15/2006	6350	Indiana SBA	<u>503.00</u>	Water audit fees for 2003-2005
		Total	<u>\$1,451.75</u>	
		Per Books	<u>1,451.75</u>	
		Variance	0.00	

Insurance 655

3/14/2006	6235	Swanson & Swanson	\$33.25	Bonding insurance
3/28/2006	6246	Blake Insurance Agency	10,162.26	Annual insurance premium
7/25/2006	6335	Blake Insurance Agency	1,916.50	2nd installement for insurance
8/29/2006	6364	CAN Surety	<u>30.00</u>	Surety bond
			<u>\$12,142.01</u>	
			<u>12,142.01</u>	
			0.00	

Conclusion:

The \$6,785 for chemical cleaning is an expense that occurs every year, per C/T (all three wells are cleaned 1 a year on a 3 year cycle). This expense did not occur in 2007 due to the large amount of other repairs. Therefore, the \$6,785 needs to be included as an operating cost for test year.

The \$503 for 3 year audit expense needs to be adjusted into operating expenses.

KINGSFORD HEIGHTS (INDIANA) MUNICIPAL WATER UTILITY

PRO FORMA SALARIES AND WAGES CALCULATION

Employee Name				1/1/07 - 1/18/07					1/19/07 - 12/31/07						
First	Last	Position	Category	% Paid by Water Dept.	Total Regular Wages	Pay Rate for 1/1/07-1/18/07	Equivalent Hours	Total Regular Wages	Less: Adjustments*	Adjusted Wages	2007 Pay Rate	Equivalent Hours	Total Equivalent Hours	Times: 2008 Pay Rate	Adjusted 2008 Pay
Timothy	Lindewald	x Water Plant Operator	Employee	100.00%	\$1,337.60	\$16.72	80	\$34,934.24	(\$414.24)	\$34,520.00	\$17.26	2,000.0	2,080.0	\$17.86	\$37,148.80
Rosalie	Jacobs	x Clerk-Treasurer	Officer	33.33%	1,004.00	12.55	80	26,521.60	(621.60)	25,900.00	12.95	2,000.0	2,080.0	13.40	27,872.00
Lois	Dawson	Office Asst.	Officer	33.33%	413.10	9.18	45	11,489.56		11,489.56	9.47	1,213.3	1,258.3	9.80	12,331.30
Evilyn	Ballinger	Town Council President	Officer	25.00%				2,200.00		2,200.00					2,200.00
David	Enochs	Town Council Member	Officer	25.00%				2,000.00		2,000.00					2,000.00
Jeana	Blake	Town Council Member	Officer	25.00%				2,000.00		2,000.00					2,000.00
Richard	Knowlton	Town Council Member	Officer	25.00%				2,000.00		2,000.00					2,000.00
Jeffrey	Maki	Town Council Member	Officer	25.00%				2,000.00		2,000.00					2,000.00
Additional Employee	x	Field Employee	Employee	100.00%									2,080.0	11.20	23,296.00
Totals					\$2,754.70			\$83,145.40	(\$1,035.84)	\$82,109.56					\$110,848.10
				Adjusted 2008 Pay	Plus: Pro Forma OT	Plus: 2007 PA time cash-in **	Pro Forma Pay	Times: Water Share	Pro Forma Salaries	Less: 2007 Salaries	Adjustment				
Timothy	Lindewald	x	Water Plant Operator	Employee	\$37,148.80	\$1,910.10	\$414.24	\$39,473.14	100.00%	\$39,473.14	(\$38,114.08)	\$1,359.06			
Rosalie	Jacobs	x	Clerk-Treasurer	Officer	27,872.00		621.60	28,493.60	33.33%	9,497.87	(9,175.20)	322.67			
Lois	Dawson		Office Asst.	Officer	12,331.30			12,331.30	33.33%	4,110.43	(3,967.55)	142.88			
Evilyn	Ballinger		Town Council President	Officer	2,200.00			2,200.00	25.00%	550.00	(550.00)	0.00			
David	Enochs		Town Council Member	Officer	2,000.00			2,000.00	25.00%	500.00	(500.00)	0.00			
Jeana	Blake		Town Council Member	Officer	2,000.00			2,000.00	25.00%	500.00	(500.00)	0.00			
Richard	Knowlton		Town Council Member	Officer	2,000.00			2,000.00	25.00%	500.00	(500.00)	0.00			
Jeffrey	Maki		Town Council Member	Officer	2,000.00			2,000.00	25.00%	500.00	(500.00)	0.00			
Additional Employee	x		Field Employee	Employee	23,296.00			23,296.00	100.00%	23,296.00		23,296.00			
Totals					\$110,848.10	\$1,910.10		\$113,794.04		\$78,927.44	(\$53,806.83)	\$25,120.61	(Off by \$131 due to Exp. Analysis being off \$131)		

x Subject to PERF of 5%.

* Adjustment for money received for personal absence (PA) time cashed out in December 2007.

** PA time is assumed at 2007 amount. Could increase this based on 2008 rate, but to be conservative I did not.

Notes:

Town Council - All town council salaries will remain same for 2008.

Additional Employee - The additional employee is assumed to be paid 100% from water. He/she is also assumed to be full time (40 hrs./wk.), PERF eligible, and be paid \$11.20 per hour.

KINGSFORD HEIGHTS (INDIANA) MUNICIPAL WATER UTILITY

PRO FORMA OVERTIME CALCULATION

<u>Employee Name</u>					<u>1/1/07 - 1/18/07</u>			<u>1/19/07 - 12/31/07</u>			Total	Times:	Pro Forma
First	Last	Position	Category	% Paid by Water Dept.	Total OT Wages	OT Rate for 1/1/07-1/18/07	Equivalent Hours	Total OT Wages	2007 OT Rate	Equivalent Hours	Equivalent Hours	2008 OT Rate	
Timothy	Lindewald	Water Plant Operator	Employee	100.00%	\$75.24	\$25.08	3	\$1,767.00	\$25.89	68.3	71.3	\$26.79	\$1,910.10
Rosalie	Jacobs	Clerk-Treasurer	Officer	33.33%									
Lois	Dawson	Office Asst.	Officer	33.33%									
Evilyn	Ballinger	Town Council President	Officer	25.00%									
David	Enochs	Town Council Member	Officer	25.00%									
Jeana	Blake	Town Council Member	Officer	25.00%									
Richard	Knowlton	Town Council Member	Officer	25.00%									
Jeffrey	Maki	Town Council Member	Officer	25.00%									
Additional Employee		Field Employee	Employee	100.00%									
Totals					\$75.24			\$1,767.00					\$1,910.10

Note: Overtime rates are 1.5 times regular rates.